

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

LOCAL 786 I. B. of T. SEVERANCE FUND, and LOCAL 786 BUILDING MATERIAL WELFARE FUND, and Trustees MICHAEL YAUGER and WILLIAM GUTH,)	
)	
)	
)	
)	No. 08 C 1560
Plaintiffs,)	
)	
v.)	Judge Castillo
)	Magistrate Judge Schenker
VERONICA CONTRACTING, INC., an)	
Illinois corporation,)	
Defendant.)	
)	

**STATEMENT OF UNCONTESTED FACTS PURSUANT TO LOCAL RULE 56
AND EXHIBITS**

1. The Local 786 I. B. of T. Severance Fund and Local 786 Building Material Welfare Fund have been establish pursuant to a collective bargaining agreement between Teamsters Local 786 and employers such as Veronica Contracting, Inc. (Plaintiff Ex. 1 pgs. 1, 18-19, 35).
2. Pursuant to the terms of its contract with Local 786 Veronica Contracting, Inc. is obligated to remit contributions for each week that an employee covered by the agreement works for the company. (Plaintiff Ex. 1 pgs. 18-19).
3. Since July of 2007, Defendant has failed to complete forms or timely remit the contributions to the Local 786 Building Material Welfare Fund. No reports or contributions have been remitted to the Local 786 Severance Fund since November of 2007.
4. Defendant has received a preliminary audit by the Funds' auditors, Legacy Professionals LLP, for the period June 1, 2005 through December 31, 2007, dated April 2, 2008 which reflects the following amounts of contributions owed to Plaintiff Funds:

Severance Fund:	\$27,838.00	
Health and Welfare Fund:	\$46,291.00	(Plaintiff Ex. 2)
5. Defendant has not disputed the calculation of delinquent contributions by the auditors as stated in the Legacy audit.

6. On April 15, 2008, Plaintiffs served the attached Request to Admit Facts pursuant to Federal Rule of Civil Procedure 36 on Defendant which included the following Requests to Admit:

10. Defendant has received the partial audit by Legacy Professionals LLP for the period June 1, 2005 through December 31, 2007 dated April 2, 2008 which reflects the following amounts of contributions owed to Plaintiff Funds:

Severance Fund:	\$27,838.00
Health and Welfare Fund:	\$46,291.00

11. The contribution amounts reflected by the Legacy Professionals LLP audits of Defendant completed April 2, 2008 are owed by Defendant as described in Request to Admit No. 10 above.

7. As of June 16, 2008, Defendant has failed to object to, respond to or deny the Requests to Admit Facts, and thus, has admitted that the contributions claimed by the audit are owed.

8. Pursuant to the terms of the agreement and the audit, the following amounts are owed by Defendant to the Plaintiffs:

Severance Fund:	\$27,838.00
Health and Welfare Fund	<u>\$46,291.00</u>
Total	\$74,129.00

(Plaintiff Ex. 4, Administrator's Affidavit)

9. Additionally, amounts are owed for liquidated damages/delinquency charges, audit fees and attorney's fees and costs as follows:

a. *Delinquency Charges*

Severance Fund	\$ 7,322.94
Health and Welfare Fund	\$10,826.60

b. *Audit Fees*

Severance Fund:	\$5,227.00
Health and Welfare Fund:	\$2,088.25

c. *Fees and Costs*

Fees:	\$2,925.00
Costs:	\$475.00

10. As of June 15, 2008, Defendant is indebted to the Local 786 Funds in the amount of \$103,192.84. (Plaintiff Ex. 4, Administrator's Affidavit).

s/Anthony Pinelli

ANTHONY PINELLI

ANTHONY PINELLI

Law Offices of Anthony Pinelli
53 West Jackson Blvd., Suite 1460
Chicago, Illinois 60604
312/583-9270

CERTIFICATE OF SERVICE

Anthony Pinelli hereby certifies that he served the foregoing Plaintiffs' Statement of Uncontested Fact Pursuant to Local Rule 56 and Exhibits on

Daniel V. Kinsella
Schuyler, Roche & Zwirner
One Prudential Plaza, Suite 3800
130 East Randolph Street
Chicago, Illinois 60601

via U.S. First class mail on June 19, 2008 at 53 West Jackson Blvd., Chicago, Illinois 60604.

ANTHONY PINELLI

**EXCERPTS OF AGREEMENT
BETWEEN
LOCAL 786 I. B. OF T.
AND
VERONICA CONTRACTING, INC.**



COOK COUNTY AREA

AGGREGATE MATERIAL AGREEMENT

ARTICLES OF AGREEMENT

THIS AGREEMENT, effective June 1, 2005 is entered into this day of VERONICA CONTRACTING, INC., 2005 by and between the "EMPLOYER" (as defined in ARTICLE 1.1 below) who employ persons within the bargaining unit covered by this Agreement, and LOCAL 786 CHICAGO, the "UNION" (as defined in ARTICLE 1.2 below) all affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, and with Teamsters Joint Council #25.

ARTICLE 1
DEFINITIONS AND SCOPE

1.1 Whenever the word "EMPLOYER" is used herein, it shall mean the Employer named above.

1.2 Whenever the word "UNION" is used herein, it shall mean BUILDING MATERIAL, LUMBER, BOX, SHAVING, ROOFING AND INSULATING CHAUFFEURS, TEAMSTERS, WAREHOUSEMEN AND HELPERS, AND RELATED INDUSTRY EMPLOYEES, WATCHMEN, SECURITY GUARDS, CHICAGO AND VICINITY, ILLINOIS; AS WELL AS NOTIONS, CANDIES, CIGAR, TOBACCO AND CIGARETTE SALESMEN, DRIVERS, HELPERS AND INSIDE WORKERS AND VENDING MACHINE DRIVERS, SERVICEMEN AND INSIDE WORKERS UNION LOCAL NO. 786, affiliated with the International Brotherhood of Teamsters and Teamsters Joint Council No. 25, except where a particular Local is expressly or by necessary implication excluded from the operation of a particular provision of this Agreement.

1.3 Whenever the word "Employee" or "Employees" is used herein, it shall mean the employee or employees in the classifications of work covered by this Agreement.

1.4 This Agreement shall not apply to any classifications covered by another collective bargaining agreement with respect to any Employer who is a party to such other agreement.

1.5 Whenever the word "Days" or "Weeks" is used herein, it shall mean calendar days or weeks unless otherwise indicated.

ARTICLE 2
RECOGNITION

The Employer recognizes the Union as the sole and exclusive bargaining agent for all employees covered by this Agreement.

the employees of such Employer who are retained shall be placed at the bottom of the seniority list as a group listed in accordance with their previous seniority standing. The acquiring Employer need retain such employees of the bought-out Employer only to the extent of his need as to qualifications and number.

ARTICLE 16
HEALTH & WELFARE AND SEVERANCE

16.1 The Employer shall contribute into a trust set up by trust agreements now in effect in the aforementioned Local Unions for the payment of Health & Welfare or Severance benefits, as the case may be, as determined by the appropriate Board of Trustees, the amounts shown in 16.2 below per week for an employee covered by this Agreement, in accordance with the requirements set forth in the appropriate Appendix of this Article.

16.2 Schedule of Contributions:

16.2-1 Health and Welfare

<u>Effective Date</u>	<u>Amount</u>
June 1, 2005	\$251.00
June 1, 2006	*
June 1, 2007	*
June 1, 2008	*
June 1, 2009	*

16.2-2 Severance

June 1, 2005	\$106.00
June 1, 2006	*
June 1, 2007	*
June 1, 2008	*
June 1, 2009	

16.2-3 See Article 8.1 for 6/1/06, 6/1/07, 6/1/08 and 6/1/09 for Health & Welfare and Severance allocations.

16.3 Conditions

16.3-1 Provisions and conditions relating to payment of the foregoing benefits are set forth in Appendix A for Health & Welfare and in Appendix B for Severance of this Article. These appendices form part of and are deemed incorporated into this Agreement.

16.3-2 With respect to benefits, any disagreement as to eligibility, time and method of payments, payments during periods of employee illness or disability, methods of

enforcement of payment and related matters shall be determined by the Trustees of the Fund concerned. The Fund shall in all respects be administered in accordance with the Trust Agreement.

16.4 It is understood and agreed that the sole liability of the Employer, under the above entitled Health & Welfare and Severance programs, shall be the payment of its contribution to the above respective Trusts, as provided above. The Employer shall not be liable for the purchase of any Health & Welfare or Severance insurance, or the payment of any Health & Welfare or Severance benefit.

16.5 All Trust Agreements jointly entered into and executed pursuant to the above provisions, shall be considered as a part of this Agreement to the extent they are not inconsistent therewith.

16.6 Employer hereby agrees to be bound by the Agreements and Declarations of Trust creating said Fund and by any future amendments thereto to the extent they are not in conflict with this Agreement, and hereby designates as its representatives on the Board of Trustees, such Trustees as are named in said Agreements and Declarations of Trust, as Employer Trustees, together with their successors selected in the manner provided in said Agreements and Declarations of Trust, as they may be amended from time to time; and further, agrees to be bound by all action taken by said Employer Trustees pursuant to the said Agreements and Declarations of Trust as amended from time to time.

16.7 The Employer agrees to make available to the Trustees or their designees during normal business hours, payroll records and other employment records necessary to ascertain that contributions required under this Article have been paid correctly and in full.

16.8 If an Employer fails to pay any contributions due in accordance with Article 16, the Trustees of the Fund concerned may assess the Employer a charge of one and one-half percent per month of the contributions due in addition to all reasonable attorney's fees and costs of collection and costs of audit. The contributions for each employee shall not exceed 52 weeks in any calendar year. The contributions of each Employer shall be paid to said Fund on a monthly basis and shall be sent by each Employer not later than the 15th day of the month following the first month of employment.

16.9 The obligation to make Health & Welfare and Severance contributions shall continue during periods when a new collective bargaining agreement is being negotiated unless there is a work stoppage or lockout.

APPENDIX A HEALTH AND WELFARE

A.1 Each Employer shall contribute to the (Local 786)

Building Material, Chauffeurs, Teamsters and Helpers Welfare Fund of Chicago, which shall be jointly administered by Employer Trustees and Union Trustees as provided in the Trust Agreement, the amount per week stated in Article 16 (16.2-1) as of the appropriate date stated therein for each employee covered by this Agreement who performs work on any two calendar days in any calendar week, regardless of the number of hours worked, beginning with the first such week of employment. Contributions shall also be made for the weeks of paid vacation, but not if the employee's vacation time occurs during a period of layoff, leave of absence or illness.

A.2 Whenever the Trustees of the (Local 786) Building Material, Chauffeurs, Teamsters and Helpers Welfare Fund of Chicago shall certify to the Employer that the assets of said Fund are less than \$250,000.00, each Employer shall contribute, effective 30 days after receipt of notice thereof to the Employer, an additional amount (not to exceed \$.80 per week) as determined by said Trustees, for each week of employment as defined by said Trustees, for each week of employment as defined in A.1. Such additional contributions shall continue to be made by such Employer until the said Trustees shall certify to the Employer that the assets of said Trust exceed \$500,000.00, at which time such additional contributions shall cease and shall not be again resumed until the said Trustees shall again certify to the Employer that the assets of the Welfare Fund Trust are less than \$250,000.00.

A.3 Health & Welfare and Severance

A.3-1 If an employee is absent because of non-occupational illness or injury, the Employer shall continue to make the required contribution for a period of four weeks.

A.3-2 If an employee is absent because of occupational illness or injury, the required contribution shall be made until the employee returns to work, or for a period of one year, whichever is shorter.

A.4 During the 30 day extension of leave of absence provided for in Article 13 (Leave of Absence), the employee shall be liable for and pay to the proper Health and Welfare Fund referred to in A.1 above the amount of contributions stated in Article 16 (16.2-1).

APPENDIX B SEVERANCE

Each Employer shall contribute to the (Local 786) Severance Fund, the amount per week stated in Article 16 (16.2-2) as of the appropriate date stated therein for each employee who performs work on any two days in any calendar week, regardless of the number of hours worked; provided the employee has been on the Employer's payroll for at least 30 days.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper representatives the day and year first above written.

FOR THE EMPLOYER:

Veronica Contracting Inc
Name of Company

Suzanne Caruso
Signature

P.O. Box 201
Address

St Charles IL 60174
City

630 443-3483
Phone

FOR THE UNION:
Local 786

Phil S.
By: [Redacted]

President
Title

10-11-06
Date

BUILDING MATERIAL, LUMBER, BOX, SHAVING, ROOFING AND INSULATING CHAUFFEURS, TEAMSTERS, WAREHOUSEMEN AND HELPERS AND RELATED INDUSTRY EMPLOYEES, WATCHMEN, SECURITY GUARDS, CHICAGO AND VICINITY, ILLINOIS; AS WELL AS NOTIONS, CANDIES, CIGAR, TOBACCO AND CIGARETTE SALESMEN, DRIVERS, HELPERS AND INSIDE WORKERS, AND VENDING MACHINE DRIVERS, SERVICEMEN AND INSIDE WORKERS LOCAL UNION 786, affiliated with the International Brotherhood of Teamsters AND Joint Council #25.

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

April 2, 2008

Trustees of Local 786 Severance
Trust Fund of Chicago
300 South Ashland Avenue
Chicago, Illinois 60607

PAYROLL AUDIT REPORT

Employer Name Veronica Contracting Inc.
Employer No. 3944
Address 810 Arlington Heights Road
Itasca, IL 60143
Payroll Audit Date February 15, 2008
Period Examined June 1, 2005 through December 31, 2007

Employer representative, if any, present at the time of the payroll audit:

Daniel Kinsella Attorney
Name Title

Audit Location 130 East Randolph Street Suite 3800
Chicago, IL 60601

Summary of reason for under reported or over reported contributions

Employer under reported weeks worked for the Severance Fund.
Employer did not report all employees performing covered work.

27,838.00 Is due to (from) the Local 786 Severance Fund



Claudia Tonelli
Payroll Auditor(s)

Severance Fund

Payroll Audit Period :
June 1, 2005 through December 31, 2007

Claudia Tonelli
Payroll Auditor(s)

APR-10-2008 12:51 AM

40

Severance Fund

Telephone #: 630-443-3483

11-7100-1

41

Local 786 Severance

Severance Fund

Schedule of Discrepancies & (Credits) for 2007

Employer Name : Veronica Contracting Inc.

Payroll Audit Period :

June 1, 2005 through December 31, 2007

Employer # : 3944

Address : 810 Arlington Heights Road
Itasca, IL 60143

Date of Audit :

Claudia Tonelli

Payroll Auditor(s)

Contact : Daniel Kirsella
Telephone # : 630-443-3483

Soc. Sec.#	Employee	Date Hired	Date Term	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
351-70-1002	Jamin, David							1								1
325-66-8366	Jones, Caryon							1		3	3	1	5	3		16
353-60-3138	Bisceglia, Todd									3	3	1	3	4	1	15
331-50-0789	Midos, Victor									3	4	1	5	4		17
361-90-2832	Pontanini, Anthony									3	3	1	5	3		15
359-64-5434	Spinney, Jeff	6/19/07								2	4	4	4	3		17
359-64-5434	Spinney, Jim									3	3	1	5	3		15
Total Weeks								2		17	20	9	27	20	1	96
2007																
Rate as of:		6/1/06	6/1/07													Total
Severance		126.00	158.00					252.00		2,686.00	3,160.00	1,422.00	4,266.00	3,160.00	158.00	15,104.00
Total								252.00		2,686.00	3,160.00	1,422.00	4,266.00	3,160.00	158.00	15,104.00

LEGACY

PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

April 2, 2008

Building Material Chauffeurs, Teamsters and
Helpers Welfare Fund of Chicago and
Local Union 786 Building Material Pension Fund
300 South Ashland Avenue
Chicago, Illinois 60607

PAYROLL AUDIT REPORT

Employer Name Veronica Contracting

Employer No. 3944

Address 810 Arlington Heights Road
Itasca, IL 60143

Payroll Audit Date February 15, 2008

Period Examined June 1, 2005 through December 31, 2007

Employer representative, if any, present at the time of the payroll audit:

<u>Daniel Kinsella</u>	<u>Attorney</u>
Name	Title

Audit Location 130 E Randolph Suite 3800
Chicago, IL 60601

Summary of reason for under reported or over reported contributions

Employer under reported weeks worked.
Employer did not report employees performing covered
work.

46,291.00 Is due to (from) the Building Material Welfare Fund

N/A Is due to (from) the Building Material Pension Fund

Claudia Tonelli
Payroll Auditor(s)

Local 786 Building Materials

Welfare & Pension Funds

Schedule of Discrepancies & (Credits) for

2005

Employer Name : Veronica Contracting

Payroll Audit Period :

Employer # : 3944

June 1, 2005 through December 31, 2007Address : 810 Arlington Heights Road
Itasca, IL 60143

Date of Audit : February 15, 2008

Contact : Daniel Kinsella

Claudia Tonelli

Telephone # :

Payroll Auditor(s)

Soc. Sec #	Employee	Date Hired	Date Term	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
345-94-0701	Lucarelli, Mark			Welfare						4	1						5
				Pension													
353-60-3138	Bisceglia, Todd			Welfare								1					1
				Pension													
325-66-8366	Jones, Carlyon			Welfare								1					1
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
Total Welfare										4	1	2					7
Total Pension																	
2005																	
		8/1/04	10/1/05														Total
Welfare		224.00	251.00							896.00	224.00	448.00					1,568.00
Pension		100.00	106.00														
Total										896.00	224.00	448.00					1,568.00

Local 786 Building Materials

Welfare & Pension Funds

Schedule of Discrepancies & (Credits) for

2006

Employer Name : Veronica Contracting

Payroll Audit Period :

Employer # : 3944

June 1, 2005 through December 31, 2007Address : 810 Arlington Heights Road
Itasca, IL 60143

Date of Audit : February 15, 2008

Contact : Daniel Kinsella
Telephone # :Claudia Tonelli
Payroll Auditor(s)

Soc. Sec #	Employee	Date Hired	Date Term	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
325-66-8366	Jones, Carlyon			Welfare Pension	1				1							2	4
334-80-5225	Paxton, Nick			Welfare Pension			1										1
352-70-7148	Spinney, Jim			Welfare Pension				1	1							1	3
455-27-3826	Osoria, Richard			Welfare Pension					1			3	5				9
361-90-2832	Pontanini, Anthony			Welfare Pension					1							3	4
331-50-0789	Miklos, Victor			Welfare Pension								1				3	4
353-60-3138	Bisceglia, Todd			Welfare Pension												2	2
351-70-1002	Jamin, David			Welfare Pension												2	2
Total Welfare					1		1	1	4			4	5			13	29
Total Pension																	
2006																	
		10/1/05	6/1/06														Total
Welfare		251.00	271.00		251.00		251.00	251.00	1,004.00			1,084.00	1,355.00			3,523.00	7,719.00
Pension		106.00	126.00														
Total					251.00		251.00	251.00	1,004.00			1,084.00	1,355.00			3,523.00	7,719.00

Local 786 Building Materials

Welfare & Pension Funds

Schedule of Discrepancies & (Credits) for

2007

Employer Name : Veronica Contracting

Payroll Audit Period :
June 1, 2005 through December 31, 2007

Employer # : 3944

Address : 810 Arlington Heights Road
Itasca, IL 60143

Date of Audit : February 15, 2008

Contact : Daniel Kinsella

Claudia Tonelli
Payroll Auditor(s)

Telephone # :

Soc. Sec #	Employee	Date Hired	Date Term	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
325-66-8366	Jones, Carlyon			Welfare Pension			4		1			4	4	5	3		21
323-46-5067	Fanelli, Charles			Welfare Pension					2								2
352-70-7148	Spinney, Jim			Welfare Pension						4	4	4	4	5	3		24
359-64-5434	Spinney, Jeff			Welfare Pension						2	4	4	4	4	3		21
361-90-2832	Pontanini, Anthony			Welfare Pension			4					4	4	5	3		20
331-50-0789	Miklos, Victor			Welfare Pension			2					5	4	5	4		20
353-60-3138	Bisceglia, Todd			Welfare Pension			3					4	4	3	4	1	19
351-70-1002	Jamin, David			Welfare Pension			2		1			1					4
Total Welfare							15		4	6	8	28	24	27	20	1	131
Total Pension																	
2007																	
		6/1/06	6/1/07														Total
Welfare		271.00	277.00				4,085.00		1,084.00	1,662.00	2,216.00	7,202.00	6,648.00	7,479.00	5,540.00	277.00	36,173.00
Pension		126.00	158.00														
Total							4,085.00		1,084.00	1,662.00	2,216.00	7,202.00	6,648.00	7,479.00	5,540.00	277.00	36,173.00

Local 786 Building Materials

Welfare & Pension Funds

Schedule of Discrepancies & (Credits) for

2007

Employer Name : Veronica Contracting

Payroll Audit Period :

Employer # : 3944

June 1, 2005 through December 31, 2007Address : 810 Arlington Heights Road
Itasca, IL 60143

Date of Audit : February 15, 2008

Contact : Daniel Kinsella
Telephone # :Claudia Tonelli

Payroll Auditor(s)

Soc. Sec. #	Employee	Date Hired	Date Term	Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
349-54-9613	Granata, Dino			Welfare									1	2			3
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
				Welfare													
				Pension													
				Total Welfare									1	2			3
				Total Pension													
2007																	
		6/1/07															Total
Welfare		277.00											277.00	554.00			831.00
Pension		158.00															
				Total									277.00	554.00			831.00

Professionals LLP requested cash disbursement records which were provided for review.

5. At an audit held on February 15, 2008 at the offices of Defendant's counsel, Daniel V. Kinsella, Legacy Professionals LLP auditors requested cash disbursement records from Defendant which Defendant declined to produce.
6. Defendant was the subject of a payroll audit by Legacy Professionals LLP on behalf of the Local 786 Building Material Welfare Fund on June 16, 2005 which resulted in a determination of a delinquency of \$2,264.00; that amount has never been paid.
7. During the period February 2007 through July 2007, Defendant completed remittance report forms and made contributions to the Plaintiff Funds which represented that during each month employees worked only one (1) week when in fact employees worked three (3) or four (4) weeks in those months.
8. Each month the Plaintiff Funds send reports to Defendant which reflect the prior month's contributions and request the employer to self report the number of weeks worked by each employee and remit contributions owed to the Funds.
9. Since July of 2007, Defendant has failed to complete the forms or timely remit the contributions to the Local 786 Building Material Welfare Fund. No reports or contributions have been remitted to the Local 786 Severance Fund since November of 2007.
10. Defendant has received the partial audit by Legacy Professionals LLP for the period June 1, 2005 through December 31, 2007 dated April 2, 2008 which reflects the following amounts of contributions owed to Plaintiff Funds:

Severance Fund: \$27,838.00

Health and Welfare Fund: \$46,291.00

11. The contribution amounts reflected by the Legacy Professionals LLP audits of Defendant

completed April 2, 2008 are owed by Defendant as described in Request to Admit No. 10 above.

12. Since November of 2007, Defendant has repainted its trucks to reflect that they are no longer operated by Veronica Contracting, Inc. but rather by Services Unlimited Enterprises LLC leased to V.C.I.
13. The trucks described in Request to Admit No. 12 above remain the property of Veronica Contracting, Inc. and are insured by premiums from Veronica Contracting, Inc. as well as operated under the I.C.C. authority of Veronica Contracting, Inc.
14. In December of 2007, Defendant replaced certain of its driver employees, who were members of Local 786, with other employees who began performing the bargaining unit work and have continued to do so through March 31, 2008.
15. During the period December 1, 2007 through March 31, 2008, Defendant has terminated employees who participated in the Plaintiff Trust Funds and replaced these drivers with other drivers who have not been reported or enrolled in the Funds.
16. Since December 1, 2007, Defendant has not remitted any contributions on behalf of employees to the Plaintiff Funds.
17. Since December of 2007, Defendant has implemented a health insurance program replacing the Local 786 Building Material Welfare Fund without negotiating with Local 786 I. B. of T.



ANTHONY PINELLI

ANTHONY PINELLI
Law Offices of Anthony Pinelli
53 West Jackson Blvd., Suite 1460
Chicago, Illinois 60604
312/583-9270

CERTIFICATE OF SERVICE

Anthony Pinelli hereby certifies that he served the foregoing Plaintiffs' First Request to Admit Facts to Defendant on

Daniel V. Kinsella
Schuyler, Roche & Zwirner
One Prudential Plaza, Suite 3800
130 East Randolph Street
Chicago, Illinois 60601

via UPS next day delivery on April 15, 2008 at 53 West Jackson Blvd., Chicago, Illinois 60604.



ANTHONY PINELLI

AFFIDAVIT

JEFFREY HOFF, being first duly sworn on oath deposes and states:

1. I am employed as the Administrator of the Local 786 Building Material Welfare Fund and Local 786 Severance Fund ("Local 786 Funds").
2. The Funds have policies requiring audits of contributing employers who are required to make weekly contributions to the Funds based on collective bargaining agreements with Local 786 International Brotherhood of Teamsters.
3. Veronica Contracting, Inc. is bound to a contract with Local 786 and has been a contributing employer to the Local 786 Funds.
4. Employers remit contributions to the Funds each month based on work performed in the previous month. Reports are sent to the employers, who then complete the form based on the number of weeks worked and return the form with payment of contributions.
5. In the fall of 2007, Veronica Contracting, Inc. ceased timely remittance of reports and payment of contributions.
6. A payroll audit was requested, and the Fund auditors, Legacy Professionals, LLP, conducted an audit in February of 2008.
7. Although the employer declined to provide all requested documents, payroll records were reviewed, and the auditors prepared a preliminary audit for each Fund which found the following delinquencies:

Severance Fund:	\$27,838.00
Health and Welfare Fund:	<u>\$46,291.00</u>
Total Delinquency:	\$74,129.00
8. The preliminary audit report was delivered to the employer's attorney on April 10, 2008, for review, and neither Fund nor its auditors have been provided with any exceptions to the report as of June 16, 2008. No amount of the delinquency has been paid as of June 16, 2008.
9. The collective bargaining agreement contains a provision for delinquency charges in the amount of 1.5 % per month.



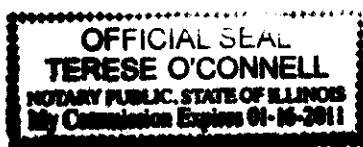
10. Based on that formula, I have calculated the delinquency charges owed through June 15, 2008 to be as follows:
- | | |
|--------------------------|-------------|
| Severance Fund: | \$ 7,322.99 |
| Health and Welfare Fund: | \$10,826.60 |
11. The Trust Agreements and Fund collection policies require payment by a delinquent employer of audit costs incurred by the Funds. The audit costs related to the above audits are:
- | | |
|--------------------------|------------|
| Severance Fund: | \$5,227.00 |
| Health and Welfare Fund: | \$2,088.25 |
12. The Funds have paid legal expenses of:
- Fees: \$2,925.00
- Costs: \$ 475.00 (Filing and Service of Process)
13. The total amounts owed to the Funds as of June 16, 2008, are as follows:
- | | |
|--------------------------|--------------------|
| Severance Fund: | \$64,144.10 |
| Health and Welfare Fund: | <u>\$39,048.74</u> |
| Total Amount: | \$103,192.84 |
14. If called as a witness, I would testify to the above facts and the accuracy of the calculations.

Further Affiant sayeth not.


JEFFREY HOFF

SUBSCRIBED and SWORN
to before me this 17 day
of June, 2008.


NOTARY PUBLIC



WELFARE FUND

	06/15/05	07/15/05	08/15/05	09/15/05	10/15/05
WEEKS	4	1	2	0	0
RATE	\$224.00	\$224.00	\$224.00	\$224.00	\$251.00
MONTHLY OWED	\$896.00	\$224.00	\$448.00	\$0.00	\$0.00
TOTAL DUE	\$896.00	\$1,133.44	\$2,042.88	\$2,073.52	\$2,104.63
INTEREST at 1.50%	\$13.44	\$17.00	\$30.64	\$31.10	\$31.57
INTEREST PLUS PRINCIPAL	\$909.44	\$1,150.44	\$2,073.52	\$2,104.63	\$2,136.20

SEVERANCE FUND

	06/15/05	07/15/05	08/15/05	09/15/05	10/15/05
WEEKS	4	1	2	0	0
RATE	\$100.00	\$100.00	\$100.00	\$100.00	\$106.00
MONTHLY OWED	\$400.00	\$100.00	\$200.00	\$0.00	\$0.00
TOTAL DUE	\$400.00	\$506.00	\$301.50	\$306.02	\$310.61
INTEREST at 1.50%	\$6.00	\$1.50	\$4.52	\$4.59	\$4.66
INTEREST PLUS PRINCIPAL	\$406.00	\$101.50	\$306.02	\$310.61	\$315.27

	WELFARE FUND	SEVERANCE FUND
PRINCIPAL	\$46,291.00	\$27,838.00
INTEREST	\$10,826.60	\$7,322.99
AUDIT FEES	<u>\$5,227.00</u>	<u>\$2,088.25</u>
TOTAL OWED	<u>\$62,344.60</u>	<u>\$37,249.24</u>

11/15/05	12/15/05	01/15/06	02/15/06	03/15/06	04/15/06	05/15/06	06/15/06	7/15/06
0	0	1	0	1	1	4	0	0
\$251.00	\$251.00	\$251.00	\$251.00	\$251.00	\$251.00	\$251.00	\$271.00	\$271.00
\$0.00	\$0.00	\$251.00	\$0.00	\$251.00	\$251.00	\$1,004.00	\$0.00	\$0.00
\$2,136.20	\$2,168.24	\$2,451.76	\$2,488.54	\$2,776.87	\$3,069.52	\$4,119.56	\$4,181.36	\$4,244.08
\$32.04	\$32.52	\$36.78	\$37.33	\$41.65	\$46.04	\$61.79	\$62.72	\$63.66
\$2,168.24	\$2,200.76	\$2,488.54	\$2,525.87	\$2,818.52	\$3,115.56	\$4,181.36	\$4,244.08	\$4,307.74

11/15/05	12/15/05	01/15/06	02/15/06	03/15/06	04/15/06	05/15/06	06/15/06	7/15/06
0	0	1	0	0	21	0	0	0
\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$106.00	\$126.00	\$126.00
\$0.00	\$0.00	\$106.00	\$0.00	\$0.00	\$2,226.00	\$0.00	\$0.00	\$0.00
\$315.27	\$320.00	\$430.80	\$437.26	\$443.82	\$2,676.48	\$2,716.63	\$2,757.38	\$2,798.74
\$4.73	\$4.80	\$6.46	\$6.56	\$6.66	\$40.15	\$40.75	\$41.36	\$41.98
\$320.00	\$324.80	\$437.26	\$443.82	\$450.48	\$2,716.63	\$2,757.38	\$2,798.74	\$2,840.72

UND

VERONICA CONTRACTORS
AUDIT AND INTEREST CALCULATION THRU 4-15-2008

8/15/06	9/15/06	10/15/06	11/15/06	12/15/06	1/15/07	2/15/07	3/15/07
4	5	0	0	13	0	0	15
\$271.00	\$271.00	\$271.00	\$271.00	\$271.00	\$271.00	\$271.00	\$271.00
\$1,084.00	\$1,355.00	\$0.00	\$0.00	\$3,523.00	\$0.00	\$0.00	\$4,065.00
\$5,391.74	\$6,827.61	\$6,930.03	\$7,033.98	\$10,662.49	\$10,822.42	\$10,984.76	\$15,214.53
\$80.88	\$102.41	\$103.95	\$105.51	\$159.94	\$162.34	\$164.77	\$228.22
\$5,472.61	\$6,930.03	\$7,033.98	\$7,139.49	\$10,822.42	\$10,984.76	\$11,149.53	\$15,442.75

8/15/06	9/15/06	10/15/06	11/15/06	12/15/06	1/15/07	2/15/07	3/15/07
4	23	19	24	7	0	0	0
\$126.00	\$126.00	\$126.00	\$126.00	\$126.00	\$126.00	\$126.00	\$126.00
\$504.00	\$2,898.00	\$2,394.00	\$3,024.00	\$882.00	\$0.00	\$0.00	\$0.00
\$3,344.72	\$6,292.89	\$8,781.28	\$11,937.00	\$12,998.06	\$13,193.03	\$13,390.92	\$13,591.79
\$50.17	\$94.39	\$131.72	\$179.06	\$194.97	\$197.90	\$200.86	\$203.88
\$3,394.89	\$6,387.28	\$8,913.00	\$12,116.06	\$13,193.03	\$13,390.92	\$13,591.79	\$13,795.66

4/15/07	5/15/07	6/15/07	7/15/07	8/15/07	9/15/07	10/15/07
0	4	6	8	26	25	29
\$271.00	\$271.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00
\$0.00	\$1,084.00	\$1,662.00	\$2,216.00	\$7,202.00	\$6,925.00	\$8,033.00
\$15,442.75	\$16,758.39	\$18,671.77	\$21,167.84	\$28,687.36	\$36,042.67	\$44,616.31
\$231.64	\$251.38	\$280.08	\$317.52	\$430.31	\$540.64	\$669.24
\$15,674.39	\$17,009.77	\$18,951.84	\$21,485.36	\$29,117.67	\$36,583.31	\$45,285.56

4/15/07	5/15/07	6/15/07	7/15/07	8/15/07	9/15/07	10/15/07
0	2	0	17	20	9	27
\$126.00	\$126.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00
\$0.00	\$252.00	\$0.00	\$2,686.00	\$3,160.00	\$1,422.00	\$4,266.00
\$13,795.66	\$14,254.60	\$14,468.42	\$17,371.44	\$20,792.01	\$22,525.89	\$27,129.78
\$206.93	\$213.82	\$217.03	\$260.57	\$311.88	\$337.89	\$406.95
\$14,002.60	\$14,468.42	\$14,685.44	\$17,632.01	\$21,103.89	\$22,863.78	\$27,536.73

11/15/07	12/15/07	1/15/08	2/15/08	3/15/08	4/15/2008	5/15/2008
20	1	0	0	0	0	0
\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00	\$277.00
\$5,540.00	\$277.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$50,825.56	\$51,864.94	\$52,642.91	\$53,432.56	\$54,234.05	\$55,047.56	\$55,873.27
\$762.38	\$777.97	\$789.64	\$801.49	\$813.51	\$825.71	\$838.10
\$51,587.94	\$52,642.91	\$53,432.56	\$54,234.05	\$55,047.56	\$55,873.27	\$56,711.37

11/15/07	12/15/07	1/15/08	2/15/08	3/15/08	4/15/2008	5/15/2008
20	1	0	0	0	0	0
\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00	\$158.00
\$3,160.00	\$158.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$30,696.73	\$31,315.18	\$31,784.91	\$32,261.68	\$32,745.61	\$33,236.79	\$33,735.34
\$460.45	\$469.73	\$476.77	\$483.93	\$491.18	\$498.55	\$506.03
\$31,157.18	\$31,784.91	\$32,261.68	\$32,745.61	\$33,236.79	\$33,735.34	\$34,241.37

6/15/2008

0
\$277.00
\$0.00
\$56,711.37
\$850.67

\$57,562.04

6/15/2008

0
\$158.00
\$0.00
\$34,241.37
\$513.62

\$34,754.99

ANTHONY PINELLI

ATTORNEY AT LAW

SUITE 1460

53 WEST JACKSON BOULEVARD

CHICAGO, ILLINOIS 60604-3797



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May 21, 2008

Daniel V. Kinsella
Schuyler, Roche & Zwirner
One Prudential Plaza, Suite 3800
130 East Randolph Street
Chicago, Illinois 60601

Re: ***Local 786 Severance Fund et al v. Veronica Contracting Inc.
08 C 1560, Judge Castillo***

Dear Mr. Kinsella:

On April 16, 2008, Plaintiffs' First Request to Admit Facts to Defendant was delivered to your office. As of today, May 21, 2008, I have received no response to the Request and therefore, I will proceed on the basis that all facts in Requests 1 -17 are admitted.

Additionally, your client has had the preliminary audit report since April 11, 2008. If you have any objections to the conclusions in the report, please provide them immediately. In the event there are no objections, I request that you provide a proposal for the payment of the full amount of the audit, interest and fees by May 29, 2008.

Very truly yours,

Anthony Pinelli

AP:hg
Enclosures

cc: Jeffrey Hoff
Rick Blevins

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